

March 18, 1976

SENATOR CARSTEN: The original adoption of what we are correcting is on....Mr. President, members of the Legislature this is to change what we did the other day on 691. The reason for this correction is that as we even stated on the floor the other day this is going to create a serious problem down in our department of revenue. What we are asking to do is put this \$200,000 back into the cash fund so that this Revenue Department is not going to loose any more personnel than we already have. What we will do by doing this is to take out as...my understanding is about 25 people. Eight of these are degreed people in the field that they are operating and it is a very essential that we keep these people down there. This not only decreases the moneys but it decreases the personnel. For example we are now, the appeals to the Department of Revenue on just cases that are deficient were running about a year and a half behind just because we do not have the staff now to keep up with those appeals. The court appeals that go beyond the appeals to the department are running behind schedule. If we expect our department of revenue to keep up with the operations of the State of Nebraska, we are certainly going to have to do what we can to keep it operating efficiently. It does appear that this is a bad move, one that we are really going to suffer for, and I think that it needs to be corrected. I move for the adoption of the amendment Mr. President.

PRESIDENT: Senator Bereuter.

SENATOR BEREUTER: Mr. President, I strongly oppose what Senator Carsten is trying to do. I don't see how they can possibly come up with a cash fund raising it from \$375,000 to \$992,000 unless they attempt to repeal a part of the bill that you have already enacted as a part of this legislation and which has been signed by the Governor, LB868, I think the number is. But, what we have here is a rather strange occurrence. We have the municipal sales tax fee, the 3% fee paid by the citizens of Bellevue, Omaha and Lincoln which has subsidized a variety of activities in the Department of Revenue in the past. Apparently they like that money and I can understand why, because they are doing a lot of things with it that have nothing to do with the collection of municipal sales tax. Now if those functions are legitimate, and I imagine that most of them are, they ought to be funded by the state and not by the citizens of Lincoln, Omaha and Bellevue. If they are not legitimate they should not be funded. But, what they are trying to do is escape scrutiny. Escape the type of scrutiny that we give when we expend general funds to the best of our ability. When we have the cash fund coming in in the quantities that it does come in, it is estimated by the Department of Revenue, their own figures last year for the upcoming year it will be \$875,000 just from that 3% fund. Well that is a very nice cash fund indeed to do a lot of things down in the Department of Revenue. Things like revenue projections, things like econometric modelling. Maybe those sort of things are fine, and I think that they are probably used beneficially by the Department of Revenue. They are used beneficially by citizens around the state and by this body. They should not be paid for by excess fees charged for the collection of municipal sales tax for Omaha, Lincoln and Bellevue, or any other city that some day might enact a